

Honorable Troy L. Nunley
United States District Judge
United States District Court for the Eastern District of California

Preliminary Injunction – March 4, 2024
Interim Report of Temporary Federal Receiver
Kenneth R. Jones

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

United States of America,
Plaintiff,
v.
CB SURETY, LLC, et al.,
Defendants.

Civil Case No. 2:23-cv-02812-TLN-DB

Second Interim Report of Temporary Federal Receiver

On December 7, 2024, a temporary restraining order (“TRO” or “order”) was unsealed and appointed me as temporary receiver over the “CB Surety LLC, Peak Bakery LLC, Cascades Pointe at Clemson, LLC, KP Testing, LLC, Motion Media Marketing Inc., SJC Financial Services Inc., Reseller Consultants, Inc., Ambragold, Inc., Think Processing LLC, and Bass Business Consultants.” *See* ECF No. 7.

The Court’s order was based, in part, on the affidavit of US Postal Inspector Jason Chung. The Receiver’s First Interim Status Report was submitted to the court on December 29, 2023. On January 5, 2024, the Court issued a preliminary injunction in this matter, continuing the interim receivership and directing that the Receiver file a subsequent within 60 days. *See* ECF No. 35.

The contents of this Second Interim Status Report will focus largely on the actions taken since the last interim report and only reference items previously reported as they pertain to recent actions.

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I. Receiver concern for employees at the Las Vegas location:

Corporate records from Reseller Consultants and Won it All, Inc.:

As previously reported in my First Interim Status Report, ECF No. 28-1, I have held several conversations and exchanged emails with Attorney Medrano, counsel for Defendant Aric Gastwirth and Defendants Reseller Consultants, Inc. and Ambragold, Inc. in their capacities as Defendants in this action. These conversations have been informative and professional on both sides. I expressed that one of my first priorities would be to make sure employees were paid. To that end:

- I requested employee contact information.
- I requested payroll system access and login information, and
- I also mentioned we would need to know how to input hours for employees and perhaps work with an employee to input them.

We also discussed the group health plan and that a payment was due January 1, 2024. I requested the plan contact information, how it's paid and any plan ID number.

Following the Court's issuance of the preliminary injunction on January 5, 2024, ECF No. 35, I contacted each of the Receivership Entities (or counsel, if applicable). I provided a copy of the preliminary injunction and, in accordance with my powers under the preliminary injunction, requested corporate records that would allow me to carry out my duties to manage the ongoing business operations of the Receivership Entities. *See* ECF No. 35, Preliminary Injunction, section III.C.

Subsequently, via counsel for the Receiver, I proceeded to reach out again by email on January 9th, 2024, to all Defendants via their counsel to again request the corporate records, to include payroll systems, employee lists and other pertinent corporate records.

On February 6th, 2024, counsel for Aric Gastwirth provided the employee list and contact information for employees working at the Rancho Dr. location in Las Vegas, the office location of Reseller Consultants, Won it All, Inc. and other entities.

On Thursday, February 22, 2024, Sandra Zbinden, the human resources manager for Reseller Consultants and Won it All, contacted the receiver to offer to provide information about payroll, vacation pay out, health insurance and the issuance of employee W-2 documents.

On Friday, February 23rd, 2024, I learned that Ms. Zbinden had available W-2 forms for all employees, and she asked permission to submit them to the employees. I agreed, and she stated she was making arrangements to submit the W-2 forms to all employees. We also discussed, at a high level, systems and access rights to various human resources-related systems. We agreed to speak again the following week to address the potential option to pay the payroll and other expenses.

Attempt to pay employees for past hours worked:

On February 27, 2024, with the assistance of Ms. Zbinden, the Receiver was able to view the ADP payroll system.

Access to the system was limited due to an unpaid invoice from ADP for payroll taxes. In short, we were not able to make any payroll payments at that time. We are currently working with both ADP and Ms. Zbinden to pay the ADP invoice.

We learned that the ADP account was established to receive payments from a Won it All, Inc. account at Preferred Bank, with account number ending in 9438.

We also learned that funds from the above account are not available to make the payment to ADP for the back payroll taxes, the back payroll or any other payments.

On this date, Ms. Zbinden accessed the Preferred Bank Account in the name of Won it All, Inc. ending in 9438 and learned it was frozen by a court order.

On Friday, March 1, 2024, Attorney Manny Medrano, counsel for Mr. Gastwirth, sent a correspondence expressing his concern that the above account was seized by the Receiver. As previously articulated, the Receiver learned this one account was frozen and February 27, 2024, and it was not frozen by the Receiver.

Contact with employees of Reseller Consultants, Won it All, Inc. and Run it Up, Inc.:

On February 28, 2024, based on information received by Ms. Zbinden and the aforementioned employee contact information, an email was sent to all employees of Reseller Consultants and Won it All, Inc. In that email we provided a status of our activities related to employees and informed them that we were working with the human resources manager to address both payroll and health insurance issues.

Planned meetings with employees of Reseller Consultants, Won it All, Inc. and Run it Up, Inc.:

We further articulated that it was our intention to meet with all employees, in person, if possible, to address the return of any personal property and related employment issues.

Corporate records from other receivership entities:

Following the Receiver's requests for corporate records on January 5, 2024, and January 9, 2024, the Receiver also requested tax information from the Receivership Entities to facilitate any required tax filings. Attorney Vitaly Sigal, counsel for Defendant Travis Smith, responded indicating that he does not represent either Peak Bakery, LLC or KP Testing, but also stated that Defendant Smith is not in possession of any of the requested documents. To date, the Receiver has not received any other responses from Defendants, their counsel, or others affiliated with the remaining Receivership Entities.

II. Fact finding: Won it All, Inc.

Incorporation: Won It All, Inc. was incorporated in 2013 in the state of Florida.

Annette Goldstein is listed as the President and Secretary. Annette Goldstein is subsequently Aric Gastwirth's wife and then goes by the name Annette Gastwirth.

Jerry Bohn is listed as a Registered Agent.

Won it All, Inc. Performing on behalf of Reseller Consultants:

During a document review at the Las Vegas office location, one document used by Reseller Consultants was prepared to answer typical questions from LLC owners and others. In one of its answers to request for information ("RFI") questions received for Reseller Consultants, Reseller Constants wrote: "Reseller Consultants, Inc. is a consulting firm that subs all work out to Won It All, Inc. and Run It Up, Inc. These two companies incur various expenses and Amex charges on behalf of Reseller Consultants and are reimbursed for such."

Bank Accounts:

The Receiver conducted a review of both electronic and hard copy documents, which has shown that Won it All, Inc. conducted financial transactions; while operating in the same offices as Reseller Consultants, and via the same employees. The below accounts have been identified:

Won It All Bank Accounts

Entity	Bank	Account Number	Type	Source
Won It All Inc	Valley Bank of Nevada	xxxxxx6976	Checking Account	Bank Statement 03/03/2021
Won It All Inc	Wells Fargo	xxxxxx5873		Blank check
Won It All Inc	Bank of the West	xxxxx9766		Blank check
Won It All Inc	Bank of America	xxxxxxxx5542	Checking Account	Bank Statement 7/31/2017
Won It All Inc	Preferred Bank	xxxxx9438		Blank check

In January 2024, blank checks with the signature of Annette Gastwirth for Won It All Inc.'s Preferred Bank account were found during a Rancho Dr. Las Vegas site visit (see image below).

THIS DOCUMENT HAS A COLORED BACKGROUND AND MICROPRINTING. THE REVERSE SIDE INCLUDES AN ARTIFICIAL WATERMARK.

Won It All, Inc.
501 S Rancho Drive
Suite A3
Las Vegas, NV 89106

Preferred Bank **1036**

DATE _____

PAY TO THE ORDER OF _____ \$ _____ DOLLARS

MEMO _____

Annette Gastwirth

⑆ 122042205 ⑈ [REDACTED] 94381036

Transactions between Won it All, Inc. and Reseller Consultants:

A review of a July 2021 bank statement for the Preferred Bank Account shows that Reseller Consultants transferred more than \$100,000 to Won It All, Inc. during the month. A subsequent review was conducted of bank account statements for Reseller Consultants for January and February 2022. In each of these statements there were multiple transfers from Reseller Consultants to Won It All.

Moreover, an April 2023 invoice from Reseller Consultants to an entity located in Costa Rica for monthly processing included wire instructions for payment to Won It All's Preferred Bank account ending 9438.

Additionally, transfers of funds between Reseller Consultants and Won it All, Inc. demonstrate transfers for expense reimbursements and payroll, such as an August 2021 monthly transfer of \$242,600.

Commission Paid by Reseller Consultants to Won It All

Date	Name	Memo	Paid Amount
8/2/2021	Won It All Inc.	Expense Reimb	\$ 57,000
8/9/2021	Won It All Inc.	Expense Reimb	17,000
8/11/2021	Won It All Inc.	Payroll	34,600
8/27/2021	Won It All Inc.		38,000
8/30/2021	Won It All Inc.		96,000
August 2021 Total			<u>\$ 242,600</u>

Won it All, Inc. now employs Reseller Consultants employees:

Won It All, Inc is the employer for those working at the Reseller Consultants' location in Las Vegas. According to our fact finding, those individuals working Won It All, Inc. are working with the LLCs referred to as 'Straw Owners' and 'Advertisers'. The employees consisted of ten team members who are employees that directly worked with Straw Owners. Additionally, there were two team leads who oversaw the team members in addition to working directly with Straw Owners. Won It All, Inc. also consisted of three employees who dealt with all the initial onboarding of Straw Owners, making sure bank accounts and mailboxes were established in the straw owner names. All of these employees received corporate devices, in addition to email addresses, where all business communication was to be done. The phones were to be kept at the office overnight and all email addresses were "@resellerconsultants.com" even though they were employees of Won It All, Inc.

On January 9, 2024, during a site visit to the Rancho Dr. location, my team identified multiple pieces of correspondence (primarily US Mail and UPS packages) from various Straw Owners to Reseller Consultants. Some of the envelopes were addressed to "C/O Amy, Reseller Consultants, Inc."



In reviewing responses to the questionnaire sent to the Straw Owners, multiple people mentioned “Amy” as the individual they had contact with at Reseller Consultants. Additionally, some people identify her as either the person who asked for their RSA tokens, or the person they mailed those tokens to at the Rancho Dr. address of both Reseller Consultants and Won it All, Inc. Through our fact finding we have been able to identify “Amy.”

However, instead of being employed by Reseller Consultants, according to her 2023 W-2, Amy (Last name intentionally omitted) was employed by Won It All Inc.

Employee Reference Copy		W-2 Wage and Tax Statement		2023	
OMB No. 1545-0008					
Copy C for employee's records					
d Control number	Dept.	Corp.	Employer use only		
000016	L5/GCQ		A 3		
c Employer's name, address, and ZIP code					
WON IT ALL INC 501 S RANCHO DR STE A3 LAS VEGAS, NV 89106 4829					
Batch #91375					
e/f Employee's name, address, and ZIP code					
AMY [REDACTED] [REDACTED] [REDACTED] HENDERSON, NV 89015					
b Employer's FED ID number			a Employee's SSA number		
46-1695987			XXX-XX-8839		

III. Fact Finding: Run it Up, Inc.

Incorporation: Run It Up, Inc. was incorporated in 2013 in the state of Florida.

Aric Gastwirth is listed as the President and Secretary.

Jerry Bohn is listed as the Registered Agent.

Run it Up, Inc. Performing on behalf of Reseller Consultants:

In one of its answers to a request for information (“RFI”) questions received for Reseller Consultants, Reseller Constants wrote “Reseller Consultants, Inc. is a consulting firm that subs all work out to Won It All, Inc. and Run It up. These two companies incur various expenses and Amex charges on behalf of Reseller Consultants and are reimbursed for such.”

Specifically with respect to Run It Up, Inc. the types of services provided are “consulting services to Reseller Consultants and referral of merchant processing clients to various agents.”

Bank Accounts:

A review of both electronic and hard copy documents has shown that Run it Up, Inc., was conducting financial transactions, while operating in the same offices as Reseller Consultants, and via the same employees. The below accounts have been identified:

Run It Up, Inc. Bank Accounts

Entity	Bank	Account Number	Type	Source
Run It Up Nevada	Valley Bank of Nevada	xxxxxx6968	Checking Account	Bank Statement 03/03/2021
Run It Up, Inc	UBS	xx x6907	Business Service Account	UBS Client Review 7/27/2023
Run It Up, Inc	Preferred Bank	xxxxxx9403		Blank check
Run It Up, Inc	Wells Fargo	xxxxxx5840		Blank check
Run It Up Inc	TD Ameritrade	xxxxx2516		Business Account Application
Run It Up, Inc	Bank of the West	xxxxxx9717		Blank check

Blank checks with the signature of Annette Gastwirth for Run it Up, Inc.’s Preferred Bank account were found in Rancho Dr. Las Vegas site visit in January 2024 (see image below).

THIS DOCUMENT HAS A GRADUATED BACKGROUND, DARK TO LIGHT. THE REVERSE SIDE INCLUDES AN ARTIFICIAL WATERMARK.

Run It Up Inc
501 S Rancho Dr
Suite A3
Las Vegas, NV 89106

Preferred Bank

1014

DATE _____

PAY TO THE ORDER OF _____ \$ _____

_____ DOLLARS

MEMO _____

Annette Gastwirth

⑆ 22042205⑆ 9403 1014

A review of a May 2021 bank statement for the Preferred Bank Account shows that Reseller Consultants transferred more than \$18,000 to Run It Up during the month. Additionally, we reviewed bank account statements for Reseller Consultants for January and February 2022. In each of these statements we identified multiple transfers from Reseller Consultants to Run It Up, Inc.

Transactions between Run it Up, Inc. and Reseller Consultants:

A review of an August 2021 bank statement for the Preferred Bank Account shows that Reseller Consultants transferred more than \$461,000 to Run it Up, Inc. during the month.

Commission Paid by Reseller Consultants to Run It Up

Date	Name	Memo	Paid Amount
8/4/2021	Run It Up Inc.	Brands and y...	\$ 5,400
8/5/2021	Run It Up Inc.	SBK	2,700
8/6/2021	Run It Up Inc.	Kenn	2,700
8/10/2021	Run It Up Inc.	Streamlined	900
8/10/2021	Run It Up Inc.		2,700
8/12/2021	Run It Up Inc.	Chrome	12,000
8/13/2021	Run It Up Inc.	MDX Comm sl...	8,000
8/16/2021	Run It Up Inc.	Cannaxo	4,000
8/24/2021	Run It Up Inc.	Gema FYM	3,800
8/26/2021	Run It Up Inc.	Pinn	7,500
8/26/2021	Run It Up Inc.	Commission	400,000
8/30/2021	Run It Up Inc.	Comm 2	900
8/30/2021	Run It Up Inc.	Fresh	1,800
8/30/2021	Run It Up Inc.	Krew	800
8/30/2021	Run It Up Inc.	DC Consulting	5,250
8/30/2021	Run It Up Inc.	Viking	2,625
August 2021 Total			<u>\$ 461,075</u>

An analysis of transactions paid for by the Run it Up, Inc. accounts shows payments made for commissions of approximately \$1.3 million. The Payees include, among others, Defendant Aric Gastwirth, Ambragold, and Won It All, Inc.

Also, an analysis of transactions shows commissions paid For Run It Up, Inc. for July 2021 through June 2022 which total \$977,000. Commission payments were made to Defendant Aric Gastwirth, Annette Goldstein (Gastwirth), and Won It All, Inc., among others.

Additionally, a 2020 1099-NEC from Run It Up, Inc. to Aric Gastwirth lists his non-employee compensation as \$112,500.

Agreements linking Run it Up, Inc. with Reseller Consultants and Ambragold:

In August 2015, Run It Up, Inc. entered into an Agent/MLS/Reseller Agreement with National Merchants Association (“NMA”). According to the agreement, NMA “provides merchant credit and debit card processing, check processing, and software and hardware solutions for the electronic payment processing industry.” A marketing brochure states that “NMA is the trusted global leader in high-risk account solutions and is one of the fastest growing and most reputable payment processor/acquirers in the

bankcard industry.” The Agreement further states that Run It Up, Inc. “desires to solicit and refer merchants to NMA for those services.” Aric Gastwirth signed the agreement on behalf of Run It Up, Inc. Exhibit A to the agreement includes a detailed Compensation and Revenue Share Plan. Run It Up, Inc. entered into a similar Agency Agreement with Pace Payment Systems, Inc. on December 1, 2015, and Successful Data Systems, Inc. (date unknown).

In a review of two Referral Agreements between Run It Up and Herbal Plus, LLC and Ring Plus Media, Inc., respectively, in each Referral Agreement, Run It Up, Inc. is defined as the Independent Contractor. Both Referral Agreements have similar language describing payments the companies are to make to Run It Up, Inc. per client referred by Ambragold. Those provisions are below:

Run It Up, Inc. and Herbal Plus Referral Agreement

1. Over and above any fees paid by COMPANY to Ambragold under separate Agreement, COMPANY or its affiliates shall pay INDEPENDENT CONTRACTOR a flat fee of Five Hundred dollars (\$500) per client referred by Ambragold, Inc. This payment shall begin on the 15th of third month following the month the client was initially referred by Ambragold, Inc. and shall continue to be paid monthly so long as COMPANY is utilizing processing services of referred client. By way of example, any client referred by Ambragold, Inc. to Company during the month of November, will require a payment under this paragraph on February 15.

Run It Up, Inc. and Ring Plus Media Referral Agreement

1. Over and above any fees paid by COMPANY to Ambragold under separate Agreement, COMPANY or its affiliates shall pay INDEPENDENT CONTRACTOR a flat fee of One Thousand Two Hundred and Fifty dollars (\$1,250) per client referred by Ambragold, Inc. This payment shall begin on the 15th of third month following the month the client was initially referred by Ambragold, Inc. and shall continue to be paid monthly so long as COMPANY is utilizing processing services of referred client. By way of example, any client referred by Ambragold, Inc. to Company during the month of June, will require a payment under this paragraph on September 15.

IV. Forensic Technology Update

Over 2,500 Straw Owners and approximately 4,000 Straw LLCs identified:

Significant effort continues in the capture and analysis of both electronic and hard copy documentation. As a result, we have learned that the depth and breadth of the activities of the receivership entities is far greater than first anticipated. For example, we have identified approximately 2,500 LLC owners or Straw Owners. We have also learned that many of these individuals had established multiple LLCs via Reseller Consultants and later Won it All, Inc. Thus, our initial estimates are that over 4,000 LLCs were established.

Over 200 advertisers identified:

Likewise, our initial fact finding has determined that there are approximately 224 ‘advertisers’.

Development of a Website for LLC owners:

In an effort to manage ongoing operations and conduct due diligence for the Receivership Entities, a website, that included a contact form, was created. This website was created with the help of the Alvarez and Marsal (“A&M”) Web Services team, A&M Privacy Counsel, A&M Customer Relationship Management Team, and DLA Piper. The effort was to make sure that this website was easily accessible to LLC owners while also making sure any sensitive information collected remained protected. The form on the website asks LLC owners for information relating to any LLCs that were created with their information, bank accounts associated with these LLCs, who they had contact with from the Receivership Entities and/or Defendants, and if there are any mailboxes associated with these LLCs. The project took

three weeks to complete, and the launch of the website occurred on February 1st, 2024. To date, there have been over 100 responses received from individuals who have contacted the Receivership Entities and/or the Defendants since the launch.

Additional forensic technology activities:

On December 7, 2023, Forensic Technology experts working on behalf of the Receiver visited Reseller Consultants' Las Vegas office and physically secured a number of laptops, desktops, mobile and tablet devices. On instructions from the Receiver, they worked with building management, security service company and locksmith(s) to secure the facility. Since there were potential concerns about overall security of the location and devices, they relocated more than sixty (60) devices to its secure forensic lab for secure storage and data preservation.

Subsequently, at the direction of the Receiver, they successfully created forensic images of 29 desktops and laptops, 18 mobile and tablet devices and 3 external storage devices. We also collected data from the company's cloud storage services (including Dropbox) and from hosted email mailboxes. Thus far, from the collected devices and cloud/email storage, they have extracted, processed and indexed over 2.3 Terabytes of data for searching, reviewing and identifying key business records from Receivership entities. Significant work has been done and continues to organize these materials for review, so that the Receiver may later present findings to the court.

The forensic experts also preserved a forensic copy of a Samsung 870EVO one (1) terabyte hard drive (Serial Number: S6PTNM0T420295M) from within a HP ProLiant DL360 Gen9 (Serial Number: SGH604Y9VN; Interserver Server ID: 1825) containing a; a server that was rented by Travis Smith from CB Surety. The forensic specialists then performed a preliminary assessment of the contents of the server and confirmed that the server was functioning as a webserver and appeared to be the host for at least several hundred websites. Significant work has been done to make this server accessible in a manner to allow the Receiver to capture the websites hosted on the server as they would have been presented to external users through a web browser, e.g. Microsoft Edge or Google Chrome. This effort has involved restoring the forensic image to a working copy drive which has been installed in a server in the Receiver's possession. This server has been connected to an isolated network that prevents any inbound or outbound internet traffic but allows the Receiver to connect to the running copy of the server.

The Receiver and his designees are participating in various witness interviews and actively working with Counsel to get access to the credentials for the remaining laptops, phones and user accounts. Additionally, the Receiver is in the process of collecting other Cloud storage accounts such as ERP (Enterprise Resource Planning) system, HR and accounting system(s) and other unique business applications learned during the interviews.

Tax Implications for Receivership Entities

A request was sent, via counsel for the Receiver, to all principals of the Receivership Entities (through their attorneys, if represented) requesting the principals provide tax filings and contact information for any accounting firms used for tax filings of the receivership entities. This information was requested to be provided by March 4, 2024.

Concerning employees of Reseller Consultants, Ambragold, Won it All and/or Run it Up, the human resources manager for these entities was able to produce W-2 forms and send them to those employees. As Receiver, I have engaged a tax specialist to coordinate with any tax accountants identified to ensure all tax issues are addressed.

V. Travis Smith Request of Employment:

Subsequent to the last report, dialogue continued with Attorney Vitaly Sigal about the potential of employment by his client, Travis Smith. I expressed concerns about a ‘reseller’ operation with jewelry from India, involving one of the employees in India affiliated with a different receivership entity as the supplier of those materials. We exchanged thoughts on how the receipt and reselling of the merchandise could be verified. A prime concern was a point made in Postal Inspector Chung’s affidavit about photographs of merchandise not actually sold were used in the alleged scheme.

On February 27, 2024, Attorney Sigal promptly responded to my latest inquiry, “The project with India has been placed on hold for now, that is why you have not heard from me about that. Mr. Smith is currently exploring other options.”

Thus, this request is on hold.

VI. Summary of Funds Identified and Seized:

To date, the Receiver has identified and frozen 31 active bank accounts and prepaid cards in the names of either individuals or entities named within the Temporary Restraining Order (“TRO”). These funds have been held at the following financial institutions: Edward Jones; Bank of America; USAA; Green Dot Bank; Truist Bank; Bancorp; PayPal; Grasshopper Bank; Fidelity; Wise; First Bank & Trust; Preferred Bank; JP Morgan Chase; Wells Fargo; Sandy Spring Bank; Wise; and Regions Bank. At this time, funds within individually held accounts have not been moved over into a receivership account. Approximately \$1.75M from the Receivership entities’ identified accounts have been moved over to receivership accounts.

Efforts to identify additional accounts and assets related to the TRO are ongoing. Should the entities and individuals covered in the receivership expand similar efforts will be taken to identify and retain funds.

VII. Summary of Receiver Expenses:

Funds Spent through December 31, 2023

The total amount of funds spent through December 31, 2023, by me and those professionals I have deemed necessary was \$286,820. Additionally, during this period there was \$3,300.08 in out-of-pocket expenses incurred. See below the breakdown of categories that make up the funds spent:

Evidence tracking and Preserving data

The majority of the funds, \$118,650, which were spent through December 31, 2023, pertained to the collections and preservation of documents found at the various office and server locations. Examples of tasks included within this category are (1) Forensic imaging of laptops; (2) Scanning of hardcopy documents from Las Vegas and Dallas locations; (3) Coordination and capture of server information; and (4) Tracking and logging of various items found on site and through the collection of UPS and mail packages containing documents and bank RSA tokens.

Securing office locations

All out-of-pocket expenses were incurred during the visitation and the securing of various office and server locations in Dalla, New Jersey and Las Vegas. In addition to the out-of-pocket expenses, hourly fees were incurred to coordinate with property management, change locks, secure locations, and begin to shut down any office space that is no longer needed.

Interviews

A small portion of the funds spent went towards conducting interviews with Manny Medrano, Aric Gastwirth's attorney, Bryan Bass, and Craig Yenni.

Securing funds

Fees have been incurred through the coordination and correspondence with various financial institutions to freeze all assets associated with the Receivership entities and Defendants. Additionally, any assets associated with the corporations to date have been secured in Receivership accounts. Finally, steps have also been taken to obtain transactional details for all accounts identified to date.

Project Management

The final category of funds spent through December 31, 2023, is related to general project management. This includes internal meetings to coordinate priorities, discussions with counsel, drafting of requests, and the writing of the Receiver's report.

A detailed invoice for time spent by the Receiver along with those I have deemed necessary is available at the request of the Court.

Funds Spent on Counsel through December 31, 2023

Through December 31, 2023, the Receiver incurred \$7,712.50 in expenses for professional services from counsel at DLA Piper LLP. These fees included advice provided to establish the Receivership, analysis of the Court's order with respect to the Receivership's activities, responses to requests for information from law enforcement agencies, and facilitation of filing the First Interim Status Report with the Court.

A detailed invoice for time spent by Counsel is available at the request of the Court.

VIII. Request of the Receiver:

Pursuant to the Court's order granting the preliminary injunction in this matter, ECF No. 34, the Court granted the Receiver's initial request to investigate Won it All, Inc. and any additional entities the Receiver suspected to be involved in Defendants alleged wire and bank fraud scheme. *See* ECF No. 34, 5-6, n. 5. The Court also directed the Receiver to notify the Court if he believed additional entities should be included in this investigation. *See id.*

As demonstrated in this report pertaining to the fact finding of Won it All, Inc. and Run it Up, Inc., the same allegedly wrongful activities previously conducted by Reseller Consultants, have for some time now been conducted by Won it All, Inc. and Run it Up, Inc.

Request #1:

In accordance with these findings, the Receiver requests the Court issue an order to include Won it All, Inc. and Run it Up, Inc. as Receivership Entities. The Receiver believes the addition of Won it All, Inc. and Run it Up, Inc. is necessary to ensure that assets related to the terms of the Court's order are available for criminal restitution, forfeiture, or other legal remedies.

Request #2:

I request the Court issue an order to freeze the assets of accounts in the name of Won it All, Inc. and Run it Up, Inc. Additionally, I request that the order include the authority for the Receiver's seizure of the following identified accounts, as well as any others identified to be associated with Won it All, Inc. and Run it Up, Inc.:

Run It Up, Inc. Bank Accounts

Entity	Bank	Account Number	Type	Source
Run It Up Nevada	Valley Bank of Nevada	xxxxxx6968	Checking Account	Bank Statement 03/03/2021
Run It Up, Inc	UBS	xx x6907	Business Service Account	UBS Client Review 7/27/2023
Run It Up, Inc	Preferred Bank	xxxxx9403		Blank check
Run It Up, Inc	Wells Fargo	xxxxxx5840		Blank check
Run It Up Inc	TD Ameritrade	xxxx2516		Business Account Application
Run It Up, Inc	Bank of the West	xxxxx9717		Blank check

Won It All Bank Accounts

Entity	Bank	Account Number	Type	Source
Won It All Inc	Valley Bank of Nevada	xxxxxx6976	Checking Account	Bank Statement 03/03/2021
Won It All Inc	Wells Fargo	xxxxxx5873		Blank check
Won It All Inc	Bank of the West	xxxxx9766		Blank check
Won It All Inc	Bank of America	xxxxxxxx5542	Checking Account	Bank Statement 7/31/2017
Won It All Inc	Preferred Bank	xxxxx9438		Blank check

Respectfully submitted,



Kenneth R. Jones
Temporary Federal Receiver